

TASK ORDER
WASHINGTON STATE
AUDITOR'S OFFICE (SAO)



Task Order #

13

Contract #

K298

Type of Services

EIA Subject Matter
 Expert Services

Date Issued

March 23, 2021

**Contractor: Washington State University
 Extension's Energy Program (WSU)**

[WSU Workday Contract No. SPC000752](#) and [CCN001830](#)
[WSU Legacy Contract No. 19925](#)

This Task Order is issued under the provisions of an SAO agreement. The services authorized are within the scope of services set forth in the *Purpose* of the contract. All rights and obligations of the parties shall be subject to and governed by the terms of the contract, including any subsequent modifications, which are hereby incorporated by reference.

Purpose

The purpose of this Task Order is to provide Subject Matter Expert services to assist the Washington State Auditor's Office (SAO) in meeting its obligation under RCW 19.285.070 of the Energy Independence Act (the Act) to audit qualifying, consumer-owned utility compliance with the Act, by examining utility support in the following compliance-related areas, as assigned by SAO:

1. Energy conservation savings acquired from select commercial, industrial, and/or agricultural energy efficiency projects and measures,
2. Renewable energy targets including those targets developed under the 1% investment cap as a no-load-growth utility,
3. Renewable energy resources including analyses of renewable energy output from incremental hydropower efficiency projects determined by direct measurement or by engineering modeling methods.

Statement of Tasks

TASK 1: As selected and assigned by SAO, provide subject matter expert review of support for qualifying, consumer-owned utility energy conservation savings acquired to meet its 2018-2019 energy conservation target.

Objectives:

- 1) Verify utility-asserted estimates of total first-year energy conservation savings (in MWh or kWh) are reasonable based on subject matter expert assessment of detailed support for the project/measure assigned.
 Review supporting documentation to determine the methodology used to estimate energy savings were determined using;
 - i. Measurement and verification protocols adopted by the RTF or by BPA in its energy efficiency implementation manual; or,
 - ii. Measurement and verification protocols consistent with recognized industry practices.
- 2) Evaluate methodologies and inputs utilities use and reasonableness of estimates utilities assert to comply in these areas:
 - a. Energy output from renewable resources, such as:
 - i. **Co-fired generation**, identified under RCW 19.285.040(2)(g);
 - ii. **Multifuel biomass energy, qualified biomass energy, and incremental biomass energy**, defined under RCW 19.285.030 and rules detailed in WAC 194-37-135;
 - iii. **Incremental hydropower**, as defined under RCW 19.285.030 and rules detailed in WAC 194-37-130.
 - b. Weather-adjusted annual load used to demonstrate a utility's eligibility as a no-load growth utility under RCW 19.285.040(2)(d) and WAC 194-37-140.

Deliverables:

1. As assigned by SAO, the Washington State University Extension's Energy program group will provide technical assistance to SAO to evaluate the reasonableness of the methodology and inputs used to estimate 1) the amount of energy

conservation acquired from energy efficiency projects, or 2) the amount of energy generated from renewable resources qualifying, consumer-owned utilities acquire to comply with the Act.

- a. For each project assigned, provide the following certification that the WSU staff performing the assessment is free from conflict of interest in that they have not been involved in assisting the qualifying, consumer-owned utility, or facility owner in establishing the estimates or developing the supporting documentation we obtained to meet our compliance examination objective:

"I certify that in all matters relating to the work I performed, I am free, both in appearance and in fact, from personal and external impairments to objectivity and independence."
 - b. The following will apply to all documents provided as deliverables:
 - i. Workpapers will be submitted to SAO in electronic format. All documents created by WSU will be in WORD or EXCEL format. Read-only .pdf format documents will be acceptable when created by third-parties, such as authoritative industry or manufacturer specification information. When multiple source documents are necessary each document will be presented separately, not combined into one large read-only .pdf format document.
 - ii. Workpapers will be distributed to SAO upon request or upon WSU program staff completion of the subject matter expert's assessment of the support assigned.
 - iii. Workpapers should have a consistent format across all utilities and summarize the results of WSU staff analysis. The summary should clearly state the conclusion reached and cite the relevant criteria used to support any exceptions noted during the assessment.
 - iv. Workpapers should provide a level of detail sufficient to allow an SAO auditor to explain to the utility or the general public the following:
 1. The WSU Staff's expectation for how the measure or project should be evaluated, if different from the utility's methodology,
 2. The type of utility information reviewed,
 3. How the relevance and reliability of the information was determined, especially in situations where the conclusion is based on the assertion of a single source,
 4. The sources and types of industry-specific information reviewed, the relevance and reliability of the information, the age of the document(s) reviewed, and an assessment of possible bias in the information used.
 - c. Where a conclusion is based in full, in part, or is derived in some way from industry-specific criteria, the criteria should be included in the workpapers with the information used to support the conclusion clearly highlighted for review verification.
 - d. Where a conclusion is based on full, or in part, on knowledge from the subject matter expert's professional experience, the workpapers should indicate this fact with detail of the knowledge the expert applied sufficient to allow a third-party to understand the basis for the conclusion reached.
2. Each WSU Staff working on this Task Order will provide SAO a detail of their time at the end of each week that work under this Task Order was performed. Time spent will be presented specific to each utility. When work performed benefits more than one utility, the costs will be identified as "pooled" costs with the utilities identified so the costs can be allocated equitably to the utilities that benefitted from the work performed.
 3. In general, travel will not be required - work performed under this task order will be performed remotely from WSU Extension Energy Program offices. Incidental and travel costs to meet with utilities will not be reimbursed.
 4. Subject matter experts should plan on periodic meetings with the SAO Program Manager or delegate. Examples include SAO-coordinated meetings with utility staff and, as directed by the utility, its consultant, providing SAO an update on the status of testing, submitting questions of the utility to SAO for presentment at the utility liaison, and briefing on deliverables presented for SAO review and approval.
 5. Please note, this Task Order will not include any and all correspondence between representatives from SAO & WSU. It is anticipated that naturally occurring dialogue in regards to the requirements of the Energy Independence Act will not bear

an hourly rate, or will answer questions of workpaper and deliverable expectations. SAO agrees to indicate within its correspondence when dialogue is authorized to fall under this task order. Likewise, WSU will indicate within the time correspondence submitted the time billed to SAO for such approved dialogue. Mutual agreement should be reached during the course of correspondence on whether the dialogue is chargeable toward this Task Order.

Deliverables are subject to review and approval by SAO prior to payment. Approval and payment of deliverables will indicate acceptance of complete deliverables.

Start Date	5/1/2021	End Date	12/31/2022
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Budget

	Description / Task	Est. Hours	Unit Cost	Total
1	Examination of utility support for energy conservation savings / renewable resource energy claimed toward compliance with the Energy Independence Act.	300	See rate schedule	Up to \$40,500
2				
3				
4				
SAO shall pay an amount up to but not to exceed				Up to \$40,500

Contractor's Approval



5/12/2021

(Signature)

(Date)

WSU Extension's Energy Program Authorized Representative
Samuel Schirer, WSU Contracts Specialist

State Auditor's Office Approval



5/17//2021

(Signature)

(Date)

SAO Authorized Representative
Kelly Collins, Director of Local Audit

T/O Manager	Todd Currier	T/O Manager	Tom Bernard
Telephone No.	360-956-2038	Telephone No.	360-676-2153
Email:	CurrierT@energy.wsu.edu	Email:	bernardt@sao.wa.gov